

OFFICE OF THE SECRETARY OF STATE
TOBIAS READ
SECRETARY OF STATE

MICHAEL KAPLAN
DEPUTY SECRETARY OF STATE



ARCHIVES DIVISION
STEPHANIE CLARK
DIRECTOR

800 SUMMER STREET NE
SALEM, OR 97310
503-373-0701

NOTICE OF PROPOSED RULEMAKING
INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 660
LAND CONSERVATION AND DEVELOPMENT DEPARTMENT

FILED
03/25/2026 3:51 PM
ARCHIVES DIVISION
SECRETARY OF STATE

FILING CAPTION: Rule conforming Division 46 regulations on residential design standards to SB 974 (2025)

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 04/23/2026 8:30 AM

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

CONTACT: Ingrid Caudel
971-701-1133
ingrid.caudel@dlcd.oregon.gov

635 Capitol St NE
Suite 150
Salem, OR 97301

Filed By:
Ingrid Caudel
Rules Coordinator

HEARING(S)

Auxiliary aids for persons with disabilities are available upon advance request. Notify the contact listed above.

DATE: 04/23/2026

TIME: 8:00 AM

OFFICER: LCDC

IN-PERSON HEARING DETAILS

ADDRESS: Department of Land Conservation and Development, 635 Capitol St NE, Basement Hearing Room, Salem, OR 97301

SPECIAL INSTRUCTIONS:

To sign up to testify, please visit: <https://www.oregon.gov/LCD/Commission/Pages/Public-Comment.aspx>

REMOTE HEARING DETAILS

MEETING URL: [Click here to join the meeting](#)

PHONE NUMBER: 669-444-9171

CONFERENCE ID: 94188100416

SPECIAL INSTRUCTIONS:

Passcode: 114349

To sign up to testify, please visit: <https://www.oregon.gov/LCD/Commission/Pages/Public-Comment.aspx>

NEED FOR THE RULE(S)

In the 2025 Regular Session, the Oregon Legislature passed SB 974. The Governor signed the law on June 23, 2025, and it became effective on the 91st day following adjournment sine die. The intent of the legislation is to speed up review of housing permits, which it addresses through two mechanisms:

It requires local governments or special districts to complete final review of final engineering plans for residential development within 120 days of submission.

It prohibits local governments from applying certain design review requirements for certain residential developments within an urban growth boundary.

Division 46, the Oregon Administrative Rules which regulate Middle Housing in Medium and Large Cities, explicitly allows cities to implement certain residential design standards for Middle Housing. Therefore, a new rule, OAR 660-046-0226, is being proposed to clarify that local governments may not apply the residential design standards listed in statute to housing developments of 20 or more units.

The statute also includes a repeal date of January 2, 2033. The proposed rule includes the same repeal date.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE

Oregon Laws 2025, chapter 330, sections 8 and 9. Oregon Administrative Rules chapter 660, division 46. These regulations can be found on the State of Oregon Secretary of State website.

STATEMENT IDENTIFYING HOW ADOPTION OF RULE(S) WILL AFFECT RACIAL EQUITY IN THIS STATE

The State of Oregon requires that a rulemaking notice include a “statement identifying how adoption of the rule will affect racial equity in this state” (ORS 183.335(2)(b)(F)). Racial equity is a process of eliminating racial disparities and improving outcomes for Black, Indigenous, and other persons of color (BIPOC). It is the intentional and continual practice of changing policies, practices, systems, and structures by prioritizing measurable improvements in the lives of members of BIPOC populations. The agency is required to attempt to determine the racial groups that will be affected by the rule and how the rule will increase or decrease disparities currently experienced by those groups. In this context, a disparate treatment of racial groups may be supportable if it addresses current disparities.

The proposed rule ensures that local governments seeking to comply with the middle housing regulations in OAR chapter 660, division 46 are aware of statutory limitations on applying residential design standards to housing developments of 20 or more units. The intent of the statute is to increase housing opportunity while reducing cost and delay, which should help reduce racial disparities in housing.

FISCAL AND ECONOMIC IMPACT:

The proposed rule will likely result in minimal or no fiscal or economic impact to state agencies, local governments, or small and large businesses. The proposed rule only supplements existing programs and does not create or materially alter existing processes.

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

DLCD is responsible for implementing and enforcing OAR chapter 660, division 46. The department is not economically affected by the proposed rule because the rule does not result in any material change to the otherwise anticipated workload of the department.

The proposed rule will not have any impact on small businesses as they are not subject to requirements in division 46.

The proposed rule additionally does not change the anticipated workload or regulatory framework for small businesses.

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

Small businesses are not directly impacted by the standards in OAR chapter 660, division 46.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? NO IF NOT, WHY NOT?

No, DLCD did not convene a rulemaking advisory committee for this specific rule. The proposed rule is only necessary to conform Division 46 to Oregon Laws 2025, chapter 330, sections 8 and 9 and provide greater clarity to local governments.

HOUSING IMPACT STATEMENT:

Description of proposed change: (Please attach any draft or permanent rule or ordinance) The proposed rule addition to OAR chapter 660, division 46 clarifies that local governments may not apply residential design standards as defined in Oregon Laws 2025, chapter 330, section 8(3)(a) to residential developments of 20 or more units. The rule will be repealed January 2, 2033, consistent with Oregon Laws 2025, chapter 330, section 9.

?

Description of the need for, and objectives of the rule: The Land Conservation and Development Commission is adding a rule to OAR chapter 660, division 46 in order to conform to Oregon Laws 2025, chapter 330, section 8, which was added by Senate Bill 974 in the 2025 regular session. The proposed rule only clarifies that local governments must comply with the applicable statute and does not otherwise impact the manner in which local governments or the public operate within the state's regulatory framework.

List of rules adopted or amended: OAR 660-046-0226

Materials and labor costs increase or savings: The proposed rule does not materially alter the regulatory framework, intent, or implementation of OAR chapter 660, division 46. The proposed rule only clarifies that local governments must defer to statutory limitations on applying residential design standards to developments of 20 or more units. Greater compliance with Oregon Laws 2025, chapter 330, section 8 may reduce the material costs associated with applying residential design standards to housing developments of 20 or more units.

Estimated administrative construction or other costs increase or savings: The proposed rule does not result in any change to estimated administrative construction or other costs, positive or negative. Greater compliance with Oregon Laws 2025, chapter 330, section 8 may reduce the administrative costs associated with applying residential design standards to housing developments of 20 or more units.

Land costs increase or savings: The proposed rule does not result in any change to land costs, positive or negative.

Other costs increase or savings: The proposed rule does not result in any change to the cost incurred by local governments or the development of housing, positive or negative.

*Typical-Single story 3 bedrooms, 1 ½ bathrooms, attached garage (calculated separately) on land with good soil conditions with no unusual geological hazards.

ADOPT: 660-046-0226

RULE SUMMARY: The proposed rule, OAR 660-046-0226, clarifies that when an application is submitted for a housing development of 20 or more residential units, a local government may not apply the residential design standards listed in ORS 197A.400 Sec. 8.

CHANGES TO RULE:

660-046-0226

Residential Design Standards

(1) A local government may not apply residential design standards as defined in Oregon Laws 2025, chapter 330, section 8(3)(a) to an application for the development of housing within an urban growth boundary unless the application is for the development of a multifamily structure as defined in ORS 197A.465 or fewer than 20 residential units as defined in Oregon Laws 2025, chapter 330, section 8(3)(b).¶

(2) This rule is repealed on January 2, 2033.

Statutory/Other Authority: ORS 197.040

Statutes/Other Implemented: Or Laws 2025, ch 330, §§ 8 and 9, compiled as a note after ORS 197A.400